

call from the remote location.¹⁰⁴ Unless the VoIP provider is notified that the customer has changed locations, the E911 call will show the name and address of the location at which the VoIP equipment was originally registered. For example, if customer John Smith registers his VoIP equipment at 123 Main Street in Phoenix, but subsequently takes his VoIP equipment with him on a business trip to Chicago and places an E911 call on that equipment from Chicago without notifying his VoIP service provider, the E911 operator will recognize his call as originating at 123 Main Street in Phoenix. However, if the customer is not “nomadic” and simply uses his or her VoIP equipment at a fixed location as a landline replacement (and has properly notified the VoIP provider of the address of the fixed location), 911 calls from that fixed location are recognized by the E911 operator with the telephone number, name and address of the party at the location at which the VoIP service was initially registered.

In an article in USA Today, AT&T discussed a solution it has devised to address the problem of nomadic VoIP, as follows:

“AT&T’s nomadic solution, called Heartbeat, uses its internet network to track the location of users. Here’s how it works: when VoIP customers power down, AT&T’s network will automatically suspend VoIP service. Once the phone adapter is plugged back in, AT&T will ask the user to verify his or her location. For customers who indicate they haven’t moved, service will be instantly restored. If they have moved, they’ll be directed to an 800 number or web page to register the new location.”¹⁰⁵

Again, so long as the VoIP subscriber properly registers his or her location with the VoIP provider, the E911 operator will automatically receive the 911 caller’s name, telephone

¹⁰⁴ The FCC ordered all VoIP providers to make their VoIP services fully 911-capable by November 28, 2005, particularly in instances where the customer is “nomadic.”

¹⁰⁵ *AT&T Solves VoIP’s 911 Issue*, USA Today, October 12, 2005. See Exhibit 6, Page 4.

number and street address. VoIP providers are actively working to resolve the remaining E911 issues driven by nomadic VoIP applications. To the extent the VoIP service is used by the VoIP subscriber to replace wireline service at a static address, VoIP must clearly be viewed as a direct substitute for traditional wireline service.

VIII. WHOLESALE COMPETITION.

47. In addition to retail competitors in the Phoenix MSA, such as CLECs, cable operators, wireless carriers and VoIP providers, there is a class of carriers that offer wholesale services to other communications carriers as a direct alternative for Qwest-provided wholesale services. These carriers offer dark fiber, wholesale access, wholesale transport and finished telecommunications services for use by other telecom providers. Our declaration has already described the Carrier Services now offered by Cox as an alternative to Qwest's wholesale services. In addition, other carriers, including many of the CLECs discussed earlier in this declaration, are now actively offering such services in the Phoenix MSA. For example, AT&T, Covad, Eschelon (which purchased Mountain Telecom in November 2006), Global Crossing, Granite Telecommunications, Integra, Level 3, McLeodUSA, Time Warner Telecom, Trinsic, Verizon/MCI and XO Communications have all self-reported to the FCC that they are offering "carrier's carrier" services to other telecommunications service providers.¹⁰⁶ Since inter-carrier services are often provided on a contractual basis, details of such services are difficult to obtain. However, the presence of numerous providers of such services shows that

¹⁰⁶ *Telecommunications Provider Locator*, Industry Analysis & Technology Division, Wireline Competition Bureau, Table 3, March 2006.

alternatives to Qwest's wholesale telecom services are readily available in Arizona. A brief discussion of the wholesale offerings of a representative subset of these carriers follows.

48. As discussed earlier in this declaration, AT&T provides retail and wholesale services in the Phoenix MSA, and owns a significant amount of fiber in that market for use in providing such services. As AT&T states:

"Years of experience serving wholesale customers, targeted investment in our network and technology innovation have positioned AT&T as an industry leader. With AT&T Wholesale's dedicated sales, customer care and global operations teams at your side, you will have the networking expertise to support a full range of voice, video, data and IP services - for you **and** your customers."¹⁰⁷

On November 13, 2006, AT&T announced that it had been awarded "best national U.S. wholesale provider" by Capacity Magazine as part of that publication's second annual Global Wholesale Awards.¹⁰⁸ AT&T currently offers a full range of wholesale services to other carriers, including local and long distance voice services, data services, internet protocol services, applications services and international services.¹⁰⁹

49. Covad operates as a facilities-based, integrated telecommunications service provider with infrastructure located in 2,050 central offices in 235 MSAs across the country, including the Phoenix MSA.¹¹⁰ Covad provides a wide range of retail and wholesale services including business and consumer DSL, Frame Relay, T-1 and VoIP

¹⁰⁷ <http://www.business.att.com/?segment=whole> See Exhibit 7, Page 1.

¹⁰⁸ <http://www.sbc.com/gen/press-room?pid=5097&cdvn=news&newsarticleid=23110> See Exhibit 7, Page 2.

¹⁰⁹ <http://www.business.att.com/services.jsp?repoid=ProductCategory&segment=whole> See Exhibit 7, Page 3.

¹¹⁰ Covad Communications Group, Inc.: Third Quarter 2006 Investor Presentation, pages 3 and 5. See Exhibit 7, Pages 6 and 8.

services (with other services, such as Bonded T-1 and wireless to be introduced in 2007).¹¹¹ In its Third Quarter 2006 presentation to investors, Covad reported providing wholesale DSL and Line Powered Voice Access (“LPVA”), a VoIP service that requires no special broadband equipment at the customer’s location, on a wholesale basis to carriers serving the consumer and small, “single owner” business markets. In addition, Covad reported providing the following wholesale services to carriers serving medium and large Enterprise business customers: Voice Optimized Access (“VOA”), xDSL, T-1 and Frame Access.¹¹² Regarding its wholesale products, Covad reports that its “unique set of assets will continue to attract strategic partners,” including carriers such as Earthlink, AT&T, United Online, XO, Nextlink, Verizon, Sprint, etc.¹¹³ On a consolidated basis (wholesale and retail operations combined), Covad announced in its Fourth Quarter 2006 Earnings Supplement that it has achieved 2006 revenue of \$474 million and that 2006 wholesale services revenue was \$275 million--representing well over half of Covad’s annual revenue stream for the year.¹¹⁴ Clearly, Covad’s strong wholesale facilities-based focus in the residential and business markets is contributing significantly to its growth nationally and within the major markets in Qwest’s service territory (including the greater Phoenix area) where it operates.

50. XO offers wholesale services through its XO Communications Carrier Services division, and asserts that it provides wholesale telecom services to entities such as CLECs, Interexchange Carriers, Cable TV providers, wireless service providers and VoIP

¹¹¹ *Id.*, page 6. See Exhibit 7, Page 9.

¹¹² *Id.*, page 6. See Exhibit 7, Page 9.

¹¹³ *Id.*, page 7. See Exhibit 7, Page 10.

¹¹⁴ Covad Communications Group, Inc.: Fourth Quarter 2006 Earnings Supplement, pages 3 and 6. See Exhibit 7. Pages 18 and 21.

service providers.¹¹⁵ Its wholesale product portfolio includes wholesale local voice service, long distance service, **IP** aggregation, dedicated internet access, private line service, DS-1 aggregation, Ethernet services, VoIP services and collocation.¹¹⁶ XO was one of the first wholesale carriers to deploy a finished wholesale service (entitled “Wholesale Local Voice” service) designed to replace UNE-Platform service.” In a 2006 press release, XO states:

“Launched in August 2005, XO’s wholesale offering for CLECs serving the residential and small business markets has rapidly gained momentum as a viable alternative to the unbundled network element platform (UNE-P) provided by incumbent carriers that were eliminated on March 11, 2006. The XO service delivers all the advantages of the UNE-P platform, and enables CLECs to avoid less economical choices such as building their own network facilities, or paying premium prices through commercial agreements or Special Access services from incumbent local exchange carriers.”¹¹⁸

In addition, it is important to note that XO’s wholesale business is not limited to services provided via its landline facilities. As discussed earlier in this declaration, XO’s broadband wireless subsidiary, Nextlink, also provides wholesale telecommunications services. Nextlink offers wireless backhaul, as well as network redundancy and diversity services to mobile wireless providers and wireline carriers through fixed wireless broadband technology and over XO’s licensed spectrum, which covers 75 metropolitan markets,¹¹⁹ including Phoenix.¹²⁰ It is important to note that Nextlink’s wholesale broadband wireless services can be offered in any Qwest wire center in the Phoenix MSA

¹¹⁵ <http://www.xo.com/products/carrier/> See Exhibit 7, Page 30

¹¹⁶ *Id.*

¹¹⁷ In its Triennial Review Order (“TRO”), the FCC determined that wholesale local switching (which is integral to the UNE-Platform service—a finished wholesale service comprised of a local loop **and** local switching priced at TELRIC rates) need no longer be provided by the RBOCs as an Unbundled Network Element service.

¹¹⁸ <http://www.xo.com/news/292.html>. See Exhibit 7, Page 32.

¹¹⁹ Current Analysis. Company Assessment of XO Communications, July 2006.

¹²⁰ http://www.nextlink.com/spectrum_map.htm See Exhibit 7, Page 35.

that is within reach of a Nextlink broadband wireless transmitter/receiver, since such wireless services are not constrained by physical wire center boundaries.

51. As discussed earlier in this declaration, Integra acquired Electric Lightwave (“ELI”) in 2006, and Integra is now an integrated provider of retail and wholesale telecommunications services in multiple markets, including the Phoenix MSA. As Electric Lightwave states:

“Electric Lightwave is one of the most recognized carrier services brands in the country providing communications network services, including transport, internet access and voice services, to telecom providers nationwide. Electric Lightwave carriers gain access to twenty-three metropolitan access networks in eight western states, a nationally acclaimed tier one internet and data network, and high speed long-haul fiber-optic network that interconnects major markets in the West. Electric Lightwave serves hundreds of carriers - meeting their needs everyday.””

According to GeoTel, Integra/Electric Lightwave now has approximately [REDACTED] miles of fiber in the Phoenix MSA that can be used to provide retail and wholesale services. Clearly, Integra is now well positioned via its ownership of ELI to substantially expand its retail and wholesale telecom services base in the Phoenix MSA.

52. Level 3 is a major provider of wholesale telecom services to other carriers, and as stated earlier in this declaration, prior to its acquisition of Broadwing its focus was largely on the wholesale market. Level 3 identifies its primary targeted customers as “RBOCs, major IXCs, major foreign PTTs, major ISPs and Portals, Media Companies, wireless companies, satellite companies, established CLECs, system integrators,

¹²¹ <http://www.electriclightwave.com> Sec Exhibit 7, Page 36.

government, academia and content providers.”¹²² It defines its wholesale services as consisting of five major service categories: voice services, Softswitch, internet and data services, transport services and infrastructure services (which include collocation and dark fiber services).¹²³ Level 3's October 2006 acquisition of Broadwing expands the scope of Level 3's wholesale telecom service operations, as Level 3 notes that "approximately half of Broadwing's revenue comes from the wholesale market, with business customers comprising the remaining revenue.”¹²⁴ As noted earlier in this declaration, the combined Broadwing/Level 3 entity has significant facilities in the Phoenix MSA, with over [REDACTED] fiber miles in Qwest wire centers for use in serving retail and wholesale customers without reliance on Qwest's network.

53. Time Warner Telecom provides both retail and wholesale services, and now owns over [REDACTED] miles of fiber in Qwest's wire centers in the Phoenix MSA, as discussed earlier in this declaration. Time Warner Telecom's Phoenix network is part of the national Time Warner Telecom network, which delivers communications services over "more than 24,000 miles of fiber networks, to businesses in 30 states and 75 U.S. markets.”¹²⁵ Time Warner Telecom provides a range of wholesale services, including voice services, internet and data services, switched and transport services and collocation.¹²⁶ The long-term agreement between AT&T/SBC and Time Warner Telecom, which extends through 2010, provides AT&T with Special Access and "last

¹²² <http://www.level3.com/580/html>. See Exhibit 7, Page 38.

¹²³ *Id.*

¹²⁴ <http://www.level3.com/press/7625.html> See Exhibit 7, Page 42.

¹²⁵ http://twtelecom.com/about_us/networks/html See Exhibit 3, Page 44.

¹²⁶ http://www.twtelecom.com/cust_solutions/application.html See Exhibit 7, Page 46.

mile” connectivity to customers via Time Warner Telecom’s network. This provides AT&T with a clear alternative to Qwest Special Access services in the Phoenix MSA.¹²⁷

54. SRP Telecom (“SRP”), based in Tempe, is a provider of carrier infrastructure products and services to wireline and wireless carriers in the Phoenix MSA, and owns a 950 route mile fiber network serving the area.¹²⁸ SRP states: “our 950 route mile fiber network allows us to be extremely flexible in designing fiber solutions to reach your customers. Because our fiber generally parallels our electric system, there are few customers we don’t reach.”¹²⁹ Further, SRP maintains:

“our network also reaches 20 central offices, switches and other carrier points-of-presence. These serve as a fundamental access and transport network for some of our carrier customers. By coordinating new fiber build out with our electric system expansion, we extend our network cost-effectively to new commercial buildings and customers - usually well ahead of other fiber providers.”¹³⁰

In other words, the already-extensive SRP Telecom wholesale fiber network is not static-it is constantly being expanded and upgraded to provide service to an even greater geographic area within and outside the Phoenix MSA. SRP Telecom represents yet another source of wholesale telecom services which enable competitive carriers to provide retail telecom services without reliance on Qwest’s network in the Phoenix MSA.

¹²⁷ Time Warner Telecom press release: *Time Warner Telecom, AT&T, SBC Extend Long-Term Service Agreement*, June 1, 2005. See Exhibit 7. Page 48.

¹²⁸ www.srpnet.com/telecom/default.aspx See Exhibit 7. Page 51.

¹²⁹ *Id.*

¹³⁰ *Id.*

IX. SYSTEMS INTEGRATORS.

55. In addition to the range of competitors discussed above, a number of “systems integrators,””” such as Electronic Data Systems, Data Systems Corp, IBM, Accenture, Northrop Grumman and New Edge Networks are now providing “single point of contact” telecommunications services to business customers. Additionally, a variant of the systems integrator model, called “Virtual Network Operators (VNO)” has appeared in the Enterprise business market. For example, Virtela is a VNO that refers to itself as a “Super Integrator” that leases network capacity from other providers and owns network intelligence hardware and software unique to its service portfolio.¹³² With the ever-increasing complexity of communications systems, large businesses are turning to systems integrators to assess, plan and manage their telecommunications systems. The increasing demand for systems integrators is driven by the need for extensive planning and management required to create converged communications systems—blending voice, data, video, internet and wireless applications--without having to create new physical networks from whole cloth.

56. Systems integrators have shown that they can compete successfully against traditional telecommunications providers.¹³³ In the Enterprise business market, nearly half of all medium and large enterprises utilize some form of managed telecom and IT

¹³¹ Systems Integrators provide “single point of contact” design and management of complex telecommunications systems and minimize the need for businesses to perform these functions in-house. Systems Integrators are also known as Managed Telecom Service Providers.

¹³² <http://www.virtela.net/> See Exhibit 8, Page 1.

¹³³ The North American managed telecom service market generated \$18.6 billion in revenues in 2006 and is expected to generate \$29.5 billion in 2012. Source: *North American Managed Telecom Services Markets*, Study N022-63, Frost and Sullivan, 2006. P. 29

services.¹³⁴ For example, New Edge provides managed telecom services in many U.S. markets, including Phoenix, to “telecom carriers, small to midsize businesses and large corporations.”¹³⁵ IBM also provides systems integration services through its IBM Converged Communications Services division, and states “IBM can help you design, deploy and manage an IP telephony infrastructure that can help reduce the costs associated with managing and maintaining separate voice and data equipment and networks, and increase the productivity of your employees.”¹³⁶ Mammoth Networks, with operations in Phoenix, provides DSL, Frame Relay and ATM service aggregation. Mammoth states: “we have built out a nine-state, 14 LATA network for the benefit of ISPs, CLECs, DLECs, integrators and virtual ISPs. Mammoth Networks provides flexibility by allowing you to connect your DS1s and DSL customers to our network, while having those circuits invoiced to you.”¹³⁷ These are just a few of the expanding array of competitive alternatives offered by systems integrators serving the medium and large Enterprise business markets.

X. CONCLUSION.

57. The Phoenix MSA is one of the most robustly competitive markets in Qwest’s 14 state region, with a wide array of intermodal and intramodal carriers now actively competing in the market. In every Qwest wire center in the Phoenix MSA, customers now have the choice of at least one, and often many more, alternatives to Qwest’s retail

¹³⁴ *Id.*, P. 10.

¹³⁵ <http://www.newedenetworks.com/products/> See Exhibit 8, Page 2.

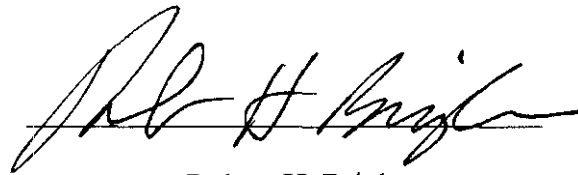
¹³⁶ <http://www-935.ibm.com/services/us/index.wss/offering/en/a1025378> See Exhibit 8, Page 3.

¹³⁷ <http://www.mammothnetworks.com/index.php> See Exhibit 8, Page 4.

telecommunications services. This collection of competitors ranges from traditional wireline CLECs, to cable-based telecom service providers, to wireless (narrowband and broadband) providers to VoIP providers. In addition, multiple wholesale telecom service providers are now actively offering services as alternatives to similar services provided via Qwest's network in the Phoenix MSA. Qwest's service territory in the Phoenix MSA is now fully competitive, and it is clear that Qwest cannot exercise market power in view of the scope and composition of competition that now exists in that MSA.

We declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on April 26, 2007

A handwritten signature in cursive script, appearing to read "R. H. Brigham", written over a horizontal line.

Robert H. Brigham

A handwritten signature in cursive script, appearing to read "David L. Teitzel", written over a horizontal line.

David L. Teitzel

**DECLARATION OF ROBERT H. BRIGHAM AND DAVID L. TEITZEL
REGARDING THE STATUS OF COMPETITION IN THE PHOENIX,
ARIZONA METROPOLITAN STATISTICAL AREA**

EXHIBIT 1

COX Media.


SMARTER ADVERTISING

Phoenix, AZ

[Home](#)[Why Buy Cable?](#) | [Markets](#) | [Programming](#) | [Our Company](#)**Markets**

Select a Market

DA 792987

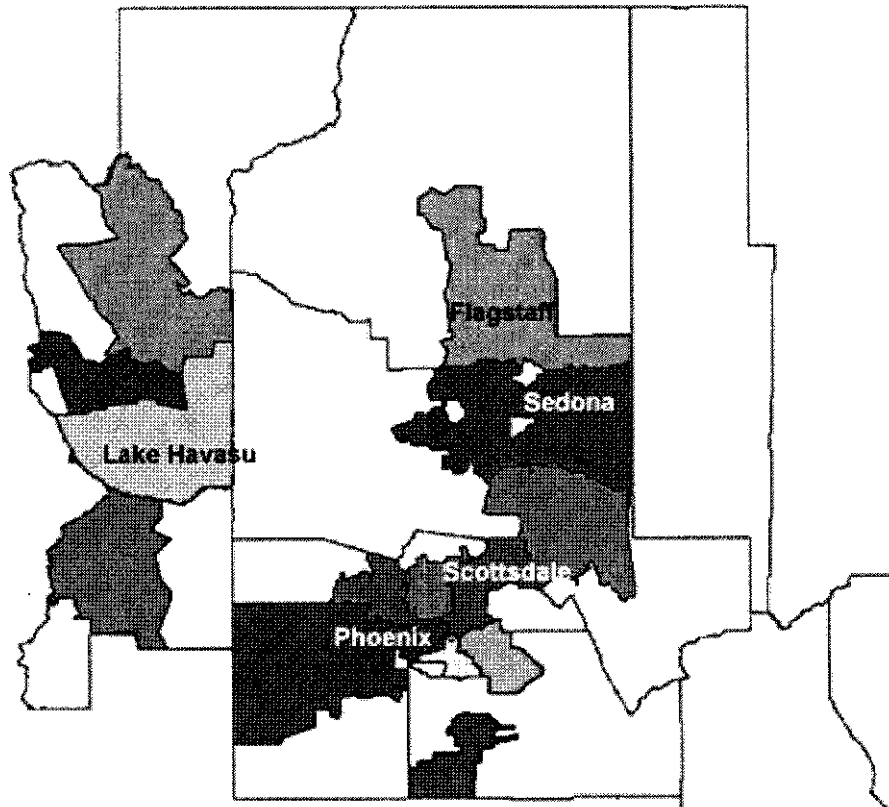
Print **Phoenix, AZ coverage map**

Address: 2020 N. Central Avenue Suite 400 Phoenix, AZ 85004-4501
 Phone: 602-379-2400

Click on the map to see networks available in this market

Phoenix, AZ DMA
COX MEDIA ZONES

- Bullhead City**
- Casa Grande**
- East Valley**
- Flagstaff**
- Kingman**
- Lake Havasu**
- North Phoenix**
- Parker**
- Payson**
- Phoenix**
- Scottsdale**
- Sedona**
- Southeast Valley**
- West Valley**



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Your connection to the digital consumer

MIDWESTERNERS CUT THE CORD: HOUSEHOLDS IN DETROIT AND MINNEAPOLIS-ST. PAUL HAVE THE HIGHEST RATE OF WIRELESS SUBSTITUTION AMONG 20 LARGEST U.S. CITIES, ACCORDING TO TELEPHIA

San Francisco Has the Lowest Substitution Rate

SAN FRANCISCO—October 18, 2006—More and more U.S. households are dropping their landlines and opting to go completely wireless. According to Telephia, the largest provider of consumer research to the communications and new media markets, households in Detroit and Minneapolis-St. Paul have the highest rate of wireless substitution among the 20 largest cities in the country. Detroit and Minneapolis-St. Paul posted household wireless substitution rates of 19 and 15.2 percent, respectively (see Table 1). The Tampa metropolitan area secured a 15.1 percent rate, representing nearly 177,000 households. Nearly 219,000 (14.3%) households in Atlanta and 220,000 (13.6%) households in Washington D.C. cut the cord. Rounding out the top 10 were Phoenix, Seattle, Denver, Boston and Los Angeles.

“Several factors influence the rate of wireless substitution across different metropolitan markets including income levels, ethnic mix, and average age,” said Kanishka Aganval, Telephia’s VP of New Products. “Telephia provides wired and wireless service providers with the research they need to understand and track this important change in consumer behavior at the market level.”

San Francisco: Tech Capital Holding onto Landline

San Francisco, which generally leads the nation in the adoption of many new technology products, landed at the bottom of the list. According to Telephia, the San Francisco metropolitan area posted just a **5.5** percent wireless substitution rate, which works out to be a little over 105,000 households.

“San Franciscans have traditionally been early adopters of advanced technologies. It is a bit of a surprise to see this metro much lower on the list, but this could be driven by the area’s high income level or its relatively low level of mobile network quality,” added Aganval. “For topology and zoning reasons, mobile networks in San Francisco are not as reliable as compared to other top cities and it’s a less attractive substitute.”

Table 1: Wireless Substitution Rates for Largest U.S. Metropolitan Areas

Metropolitan Area	Total Households	Wireless Substitution Rate	Wireless Only Households
New York	6,988,000	6.5%	453,254
Los Angeles	5,374,491	9.8%	527,497
Chicago	2,751,090	8.3%	228,748

Philadelphia	2,309,987	7.4%	171,102
Boston	1,950,139	10.0%	194,962
San Francisco	1,903,708	5.5%	105,127
Dallas	1,694,764	8.0%	135,219
Washington, D.C.	1,613,508	13.6%	220,145
Houston	1,613,508	8.7%	140,821
Phoenix	1,543,860	13.5%	207,714
Atlanta, GA	1,532,252	14.3%	218,393
Detroit	1,474,213	19.0%	280,612
Seattle	1,288,485	13.2%	169,938
Tampa	1,172,405	15.1%	176,877
San Diego	1,102,757	9.6%	105,983
Cleveland	1,079,541	7.3%	78,287
Denver	1,056,326	11.3%	119,460
St. Louis	1,056,326	7.2%	76,090
Minneapolis	975,070	15.2%	148,254
Baltimore	858,990	5.8%	49,981

Source: Observed data from the Telephia Total Communications Survey (Q2 2006)

Note: Wireless substitution rates were determined through an online survey of 700+ households for each metropolitan area. National Health Interview Survey (NHIS) data was used to adjust for off-line households. Differences in wireless penetration rates between cities may not be statistically significant.

Please join Telephia at the following industry events:

- The World Digital Publishing Conference and Expo (London October 26-27). For more information, visit: wan-press.org
- Digital Music Wire LA Games Conference (Los Angeles, CA November 7-8). For more information, visit: lagamesconference.com
- Informa Telecoms and Media Mobile TV Summit (New York, NY November 14-16) For more information, visit: informatm.com

About Telephia

Telephia is the largest provider of syndicated consumer research to the communications and new media markets. Telephia is your connection to the digital consumer.

Since 1998, executives at service providers, device manufacturers, content providers, and retailers have relied on Telephia data to make confident competitive strategy, marketing and resource allocation decisions. Telephia uses its unique measurement tools and large-scale consumer panels to completely understand the digital consumer's behavior, attitudes and experience.

To learn how Telephia data can help you understand the digital consumer and track your competitive performance, please contact us at (415) 395-0500 or sales@telephia.com.

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Cox Communications Surpasses Five Million Digital Service Subscriptions

ATLANTA--(BUSINESS WIRE)--Feb. 12, 2004--

Cox Serves Two Million Digital Cable, Two Million High-speed Internet

and One Million Digital Telephone Customers Nationwide

Cox Communications, Inc. (NYSE:COX), today announced that it surpassed 5 million digital service subscriptions in January by reaching key customer milestones in its digital video, Internet and telephone services.

In 1997, Cox was the first company to deliver a full package of telephone, high-speed Internet and digital cable television over a single broadband network. Today, Cox has 2 million digital cable television subscriptions, 2 million high-speed Internet subscriptions and 1 million digital telephone subscriptions.

"We are thrilled with the continued growth of our suite of digital services in this increasingly competitive environment," said Pat Esser, Chief Operating Officer. "These milestones illustrate that Cox is the provider of choice to our customers in the delivery of a true bundle of video, Internet and telephone services."

Cox Digital Video

Cox continues to enjoy a leading share of the multi-channel video market in all of its service areas. Cox Digital Cable is available to 98 percent of all homes in Cox markets, and more than one-third of Cox's video customers choose digital cable service over traditional analog cable. In 2003, Cox focused on the continued rollout of advanced video offerings such as high definition service, Entertainment on Demand and digital video recorder service.

"Innovative and high-tech advanced video services only increase our customer value proposition," said David Pugliese, Vice President of Product Marketing and Management. "We recognize that high-definition television services, in particular, will be a key purchase criterion for consumers, so we've moved rapidly to make this service available to 85 percent of our customer base."

Cox High Speed Internet

Cox High Speed Internet, the company's fastest-growing service, experienced year-over-year growth of 41 percent in 2003. Cox is the third-largest cable Internet service provider in the country, and Cox High Speed Internet is the only broadband service to be graded "A+" in 2003 by the readers of PC Magazine. Seven out of ten broadband customers in Cox markets have Cox High Speed Internet instead of DSL service, exceeding the 64 percent nationwide penetration of cable modem service.

Cox's flagship level of Internet service - a 3 Mbps download speed service for approximately \$40 per month (bundled price) - continues to offer the most speed for the best price, making Cox High Speed Internet the best value in the marketplace today.

Cox Digital Telephone

Cox's successful seven-year history of providing primary line telephone service is key to its bundling strategy and has resulted in more than one million telephone customers. In Cox's most mature markets, one in three homes

subscribe to Cox Digital Telephone.

"As the leading provider of cable telephony services, Cox has gained invaluable experience as a primary access line provider, which is a key component to our successful bundling strategy," said Pugliese. "Our competitors are attempting to build a bundle of services through co-marketing agreements or partnerships. Meanwhile, the Cox bundle remains the only truly integrated bundled option in our markets, affording customers enhanced convenience, flexibility and value."

Cox's highly reliable and robust platform, integrated billing system and award-winning customer care have been the keys to both winning and keeping its telephone customers' business. In 2003, the company grew its residential telephone customer base by 38 percent. In addition, the company received the highest honors in the J.D. Power and Associate's 2003 Residential Local Telephone Customer Satisfaction Survey for the Western Region -- over entrenched competitors Qwest, SBC and Verizon.

"We take great pleasure in the achievement of each of our digital subscriber milestones, but the growth of our telephony customer base holds special reward," said Esser. "We've proven that cable providers can successfully be telephone providers and we look forward to continuing our leadership position by offering the service to a broader segment of our customer base in 2004."

"The strong results we achieved in 2003 are testament to the professionalism and dedication of Cox's employees. In the last several years, we've enjoyed many accolades that have validated our strategy and recognized the excellence of our execution. We firmly believe that the quality of our products and the excellence of our service delivery are second to none. This belief is proven by the outstanding growth we continue to see in each of our product categories," said Esser.

About Cox Communications

Cox Communications (NYSE:COX), a Fortune 500 company, is a multi-service broadband communications company with approximately 6.6 million total customers, including 6.3 million basic cable subscribers. The nation's fourth-largest cable television provider, Cox offers both analog cable television under the Cox Cable brand as well as advanced digital video service under the Cox Digital Cable brand. Cox provides an array of other communications and entertainment services, including local and long distance telephone under the Cox Digital Telephone brand; high-speed Internet access under the Cox High Speed Internet brand; and commercial voice and data services via Cox Business Services. Local cable advertising, promotional opportunities and production services are sold under the Cox Media brand. Cox is an investor in programming networks including Discovery Channel. More information about Cox Communications can be accessed on the Internet at www.cox.com.

CONTACT: For Cox Communications
Bobby Amirshahi, 404-843-7872
Laura Oberhelman, 404-269-7562

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A Decade of Bundling Delivers Cox Communications Considerable Competitive Advantages

Patrick Esser's First Year as President Marked by Significant Growth in Key Areas

ATLANTA - Cox Communications announced today that its accomplishments in 2006, the first year under President Pat Esser's leadership, further demonstrated that the company's decade-long focus on bundling multiple services continues to be a key competitive asset.

"There's no question about it, the bundle is our best offense and defense," Esser said. He added that later this year Cox will celebrate the 10th anniversary of delivering its customers a three-product bundle of cable, telephone and high-speed Internet services, just as it prepares to begin offering a fourth major service, wireless. "As we celebrate a decade of the bundle, we recognize the commitment of Cox employees who have transformed Cox from a single-service cable TV company into a world-class broadband telecommunications provider and a leader in customer service." Esser noted that over 60% of Cox's video customers subscribe to more than one of the company's three major services. Cox ended the year with 3.4 million bundled customers, a nearly 15% increase over 2005. Among the benefits of bundling, customer churn is at an all-time low across all product lines. Additionally, sell-in -- the percentage of new cable customers who subscribe to Cox Digital Telephone and/or Cox High Speed Internet -- is also at a record high, about 60%.

At the start of Esser's first year as President, he established several strategic priorities to guide the company's continued success in a rapidly changing marketplace; chief among them: build market share, create efficiencies, and be the trusted provider in Cox markets. The company's 2006 accomplishments indicate considerable success in each area, including:

- Cox's goal of driving market share includes a strategy aimed at ensuring "a line in every home," reflecting renewed focus on signing up non-video subscribers who still want to purchase Cox's Internet and/or telephone services. At the end of the year, the company had a record 448,666 non-video customers, representing a net gain of 20% over 2005.
- Customer self-installations of video and high-speed Internet services helped increase operating efficiencies. For the third year in a row, more than half of Cox's new Internet customers self-installed their service.
- Underscoring its mission to be the trusted provider in its markets, the company was honored with five J.D. Power and Associates awards in 2006 alone (three for residential telephone and one each for video and commercial services). Cox remains the only provider to receive J.D. Power honors in video, residential telephone and high-speed Internet.

"It was a terrific fourth quarter and full year distinguished by customer growth and increased satisfaction; tremendous commercial sales; strong growth in digital cable, digital video recorders and On DEMAND; and our best quarter and year ever for high definition TV service," Esser said.

Cox ended 2006 with 5.4 million basic video customers, representing a net gain of more than 30,000 customers over 2005; 5.9 million total residential customer relationships, an increase of nearly 2%; 3.3 million high-speed Internet customers, an increase of more than 16%; and over 2 million telephone customers, representing growth of over 21%. (Growth rates are adjusted for the sale of cable systems in 2006.)

About Cox Communications

Cox Communications, a Fortune 500 company, is a multi-service broadband communications and entertainment company with more than 6 million total residential and commercial customers. Cox offers an array of advanced

digital video, high-speed Internet and telephony services over its own nationwide IP network. Cox Business Services is a full-service, facilities-based provider of communications solutions for commercial customers, providing high-speed Internet, voice and long-distance services, as well as data and video transport services for small to large-sized businesses. Cox Media offers national and local cable advertising in traditional spot and new media formats, along with promotional opportunities and production services. More information about the services of Cox Communications, a wholly owned subsidiary of Cox Enterprises, is available at www.cox.com, www.coxbusiness.com, and www.coxmedia.com,

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Cox Digital Telephone to be Available in all Cox Markets by End of Year

ATLANTA - July 13, 2006 - Cox Communications Inc., the largest cable telephone service provider in the nation, officially announced its launch of Cox Digital Telephone in Cleveland, Ohio. With additional launches scheduled later this year in Santa Barbara and Palos Verdes, Calif., Northwest Arkansas and Sun Valley, Idaho, Cox Digital Telephone will be available in all Cox markets by the end of year and will continue to add telephone service in the communities it serves in early 2007.

Cox's telephone penetration today is the highest among all cable operators. Cox's telephone penetration is 33 percent of total cable customers and 24 percent of all homes passed by Cox's network.

"With nearly 10 years of telephone experience, Cox has proven that cable providers can be successful as telephone providers," said David Pugliese, vice president of product management for Cox Communications. "We look forward to furthering our tradition of bringing a telecommunications alternative to the marketplace and delivering the savings, convenience and high-quality experience of Cox Digital Telephone," said Pugliese.

For nearly a decade, Cox has been providing the convenience of a "triple play" bundle of services. Today, more than 1.6 million residential customers and 150,000 businesses enjoy Cox Digital Telephone. Cox Digital Telephone is a lifeline service which fulfills on the company's commitment to providing quality and reliable telephone service. Cox does not transport phone calls through the public Internet. Rather, in some markets, Cox uses Voice over Internet Protocol technology to transport phone calls over a private, managed IP-based data network. With this architecture, a broadband connection is not required for Cox's telephone service.

Through its joint venture with Sprint Nextel Corp. and other cable companies, Cox will pilot wireless telephone service in two markets this year, and launch the service in additional markets in 2007. The introduction of wireless service from Cox will bring the advantage of mobility to its existing bundle of services.

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Cox Enriches Customer Experience with Mobile Access Service

Cox Customers in Arizona and San Diego are First to Experience **Integration and Mobility of Cox Services**

ATLANTA - February 13, 2007 - Cox Communications, the pioneer of the bundle, introduced today wireless phone service in Arizona and San Diego, Calif. The new integrated bundle including wireless service, Mobile Access from Cox and Sprint (NYSE: S), changes the way consumers use Cox services by allowing them to enjoy features of their digital cable, high-speed Internet, digital telephone on their wireless phone wherever, whenever and however they want - both inside and outside their homes.

"The integration of wireless services into our offering brings convenience to our customers, simplifying their entertainment and communications experience" said Stephen Bye, Cox's vice president of wireless services. "The challenge of accessing their Cox email when they are away from the computer is now simplified and accomplished with Mobile Access."

Mobile Access allows consumers to integrate their Cox home phone, digital cable and high-speed Internet services with Sprint wireless service. Unique attributes include:

Unlimited calls to/from Cox Digital Telephone home number. Cox home and wireless phones work together seamlessly, without using any plan minutes. In addition, free Home Forwarding allows customers to instantly receive their incoming wireless calls at their Cox Digital Telephone home number, without using plan minutes or paying any additional fees.

Watch live **TV** on the go. Access cable programming favorites like ABC News Now, ESPN 3G and The Weather Channel, all on the wireless handset, as well as their local Cox TV listings.

Access **Email** and the Internet. Use their wireless handset to send and receive email from a Cox email account. Also, Cox customers can surf the Internet, join web-based chat rooms and instant message.

Music and more. Download full-length songs from the Sprint Music Store, play multi-player games and send and receive Sprint Picture Mail.

Linked Voice Mail. Receive free text alerts on the wireless phone every time a voice mail is left at the Cox Digital Telephone home number. Also place one call to receive home and wireless voice mails.

One bill. Cox will continue to deliver the convenience of one-bill for all services offered: digital cable, high-speed Internet, digital telephone and wireless phone.

Cox's Mobile Access service has been developed through a joint venture with Sprint Nextel and other cable companies, including Bright House Networks, Comcast and Time Warner. The joint venture is focused on a common vision of offering a converged wireless service as part of the existing cable bundle of entertainment, communications and information services.

Cox will introduce other integrated features throughout the year. It will also launch Mobile Access services in additional markets in 2007. Images of the handsets and additional information on Cox's Mobile Access service are available at <http://www.cox.com/mobile/>.

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Regulatory Event Risk Headlines Fitch's U.S. Telecom Outlook for 2007

29 Nov 2006 9:30 AM (EST)

Fitch Ratings-Chicago-29 November 2006: Fitch believes that regulatory event risk will play a major role in the competitive and financial prospects of telecommunications operators in 2007. The inability of Congress, along with the Federal Communications Commission (FCC), to address key telecommunications issues related to Universal Service Funding (USF), inter-carrier compensation and video franchising in 2006 has shifted this growing event risk into 2007. The difficulty in resolving these regulatory issues highlights the potential changes being considered, the diversity of opinion and its ability to have dramatically different outcomes for the various telecommunications operators. Further complicating this situation is the recent political shift of power in Congress. The earlier telecommunications reform efforts will likely have to start over with a need for bipartisan support. It seems likely that USF reform and net-neutrality will be key issues in any future reform plans.

Along with telecommunications legislative reform, a variety of proposals from the FCC and other industry groups, are being evaluated that could have a significant impact on the industry. Some examples would include the FCC investigating a 'reverse auction' plan to resolve many of the funding and disbursement challenges associated with USF. A 'reverse auction' could limit high cost support from USF to a single operator willing to receive the least amount of support in a given study area. Another proposal called the 'Missoula' plan would reform inter-carrier compensation rules reducing access rates in place of higher subscriber line charges (SLC) and capturing originating traffic from non-traditional phone providers. Along with these plans, and others, the timing and approach to implementation will be as important as the change itself